

# **Articles of Association & By-Laws**

May 4, 2005

The undersigned desire to form a Partnership for the purpose of the investment of funds, the education and benefit of the Partners and bringing about closer social relations with each other.

The undersigned do hereby agree to, and do hereby associate themselves together for the above stated purpose and, in consideration of the mutual promises hereby made, do agree as follows:

## **Article I**

### **PARTNERSHIP**

1. The name of said Partnership is Dollars and Sense Investment Club.
2. The club shall consist of the undersigned Partners and new Partners as they are voted into the Partnership.
3. The total membership shall be limited to 25 Partners.

## **Article II**

### **PARTNERS**

1. All partners shall participate in ongoing activities of the Partnership by:
  - a. Preparing stock analyses or other assignments to further the investment endeavors of the Partnership,
  - b. Regularly attending meetings and contributing constructive comments about Partnership operations and investment opportunities,
  - c. Making regular payments to the Partnership
  - d. Keeping a current address on file with the Secretary at all times, and
  - e. Reviewing monthly and year end Partnership reports, including all financial and tax information.

## Article III

### ORGANIZATION

1. The officers of this Partnership shall be a President, a Vice President, a Secretary, a Treasurer and a Co-Treasurer, all to be elected by the Partners.
2. Officers shall be elected at the annual meeting, take office the day of the election and serve for one year or until new officers are elected, or upon the occurrence of a vacancy for the balance of the Partnership year. *No officer shall succeed himself/herself in office.*
3. It shall be the duty of:

The **President** shall preside at meetings, appoint committees and oversee all Partnership activities.

The **Vice President** shall assume the duties of the President when he/she is absent or temporarily unable to serve. The Vice President shall assign stock to Partners for analysis and maintain a file of their reports.

The **Secretary** shall keep a record of Partnership meetings, report on previous meetings and carry on various correspondence of the Partnership when required.

The **Treasurer** shall collect and disburse funds, place buy and sell orders on instructions from the *Secretary*, maintain a set of books using a computer program designed for this purpose covering the Partnership's financial operations and assets, and prepare a statement of value to present at the annual meeting and at each monthly meeting. Prior to the annual meeting, the Treasurer shall submit the books for audit by a committee of three *non-officer* Partners elected by the Partnership. All disbursements shall be made by check.

The **Co-Treasurer** shall assist the Treasurer and fulfill the duties of the Treasurer in his/her absence or inability to serve and *maintain a duplicate electronic set of accounting records.*

## Article IV

### MEETINGS

1. Regularly scheduled meetings shall be held as agreed to by the Partnership.
2. The *February* meeting shall be designated as the annual meeting.

3. A special meeting may be called by the officers after notice to the Partners.
4. A majority of the Partners must be present to constitute a quorum to transact business. *However, notice that properly executed proxy statements can be counted to determine a quorum.*

## Article V

### GENERAL

1. *A statement of value effective the last day of January or the following business day shall be prepared for the annual meeting.*
2. A statement of value shall be prepared prior to each monthly meeting. The statement shall show the total value of the Partnership as well as the value of each Partner's share.
3. Each Partner shall make an investment of \$50.00 at or before each monthly meeting.
4. Preceding each monthly meeting the Vice President shall prepare a list of new stocks to consider. The Partnership shall select the stock to study. The Vice President shall appoint at least two Partners to each present a stock analysis for the next monthly meeting.
5. Each year at the September meeting the entire portfolio should be reviewed by the Partnership and the Partnership investment strategy will be reviewed and updated if necessary.
6. If dramatic damaging information surfaces between the time of the Partnership's vote to purchase and the actual purchase, the person placing the order is authorized to delay the purchase *after consulting with one or more of the officers.*
7. Buy and/or sell action may be taken only after a period of discussion by the Partners and when voted upon by a simple majority of the Partner *quorum* present at the meeting.
8. From time to time the Partnership may request a Partner to purchase goods or services for the benefit of the Partnership. Upon request of the Partner, the cost of such expenditure shall be reimbursed by the Partnership.
9. These by-laws may be amended by a two-thirds majority vote of the Partnership.

## Article VI

### WITHDRAWALS

1. A Partner may withdraw his/her shares at any time. He/she shall send a written notice of withdrawal to the President. The Partners share value shall be the value as determined on the last business day of the month after the next meeting. The value of a withdrawal will be the Partners share value, *less any commission charges incurred to secure cash*. The Partner shall be paid his/her share within 90 days from the date the written notice is received.
2. In the event of the death of any Partner, his/her share shall be paid as provided in number 1 (above) to *his/her spouse, or if none, to his/her estate unless he/she has filed a letter with the Secretary directing to be paid otherwise*.
3. If a Partner resigns, the Partnership can elect to do any of the following:
  - a. Buy out that Partner at the Partner's share value as determined above,
  - b. Choose a stock to sell to cover the cash to purchase the resigning Partner's shares. The resigning Partner *pays the commission*.
  - c. A replacement Partner joins the Partnership and buys out the resigning Partner at the valuation as determined in Article VI (above). *If the valuation is less than the original investment, the resigning Partner will receive the actual value and the Partnership will receive any additional monies paid by the replacement Partner. The monies will be used for investing purposes.*

## Article VII

### PAYMENTS

1. Monthly payments are due and payable at each regularly scheduled meeting.
2. Any Partner may request from the president a temporary hardship waiver of the monthly payment. The request and the duration of the waiver shall be voted upon (approved) by the Partnership. Such request shall not be unreasonably denied.
3. *Early* monthly payments shall be credited *at the appropriate monthly meeting*.
4. Non-payment for two consecutive months shall cause the Partner to be designated inactive. The Treasurer shall notify the *Secretary* of any inactive Partners and the *Secretary* shall inquire by regular mail as to the reason for the non-participation of any inactive Partner.

5. Non-payment for four consecutive months shall be considered as the intent to withdraw from the Partnership unless a hardship waiver is granted by the Partnership. Lack of attendance for four consecutive monthly meetings shall be deemed cause for consideration for removal from the Partnership.
6. A two-thirds majority vote of the remaining Partners shall be necessary for removal of a Partner.

## **Article VIII**

### **VOTING**

1. The right to vote is limited to active Partners.
2. In the absence of a formal motion to conduct a given vote in another manner, all votes shall be carried by a simple majority vote except as noted elsewhere in the bylaws.
3. The above notwithstanding, the general method of voting the BUY or SELL of two or more stock *proposals* is by *the point system ballot* followed by a voice vote of approval. *Based on the number of proposals, each Partner assigns the highest number to the most preferred stock and then gives each remaining stock on less point, with the least preferred stock receiving one point.*

## **Article IX**

### **GUESTS AND NEW PARTNERS**

1. Partners are permitted to invite guests to attend regularly scheduled meetings.
2. Guests are encouraged to actively participate in Partnership discussions and activities for two months before consideration is given to adding the guest to the Partnership.
3. It is encouraged that an active Partner serve as a mentor to a new Partner for a period of time as needed by the new Partner.
4. The acceptance of new Partners will be voted upon by the Partnership.
5. All new Partners shall pay an initiation fee. The amount of the fee shall be as set by the Partnership.

## **Article X**

### **INVESTMENT STRATEGY**

1. The primary objective of the Partnership is purchasing stocks rather than bonds.
2. Dividends and capital gains will be reinvested.
3. A diversification of strategies and holdings will be encouraged. It is important to own stock of different types of companies representing many different industries. Diversification is one of the best ways to manage investment risk.
4. *Stocks should be selected for long term growth potential, not for short term gain.*
5. If a member is strongly opposed to a stock purchase for moral/ethical reasons, the selection will be carefully evaluated. The club will be respectful of the other Partner's concerns, but no one person may have veto power.

### **Editing History**

Original bylaws were dated 2/5/2001.

## Dollars and Sense Investment Club Partners

\_\_\_\_\_  
Bill Brooks                      Date

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Lois Brooks                      Date

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Norm Grethen                      Date

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Pat Grethen                      Date

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Jackie Johnson                      Date

\_\_\_\_\_  
Lawrence Kellner                      Date

\_\_\_\_\_  
Sandy Marquardt                      Date

\_\_\_\_\_  
Bob Mayhew                      Date

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Constance Mayhew                      Date

\_\_\_\_\_  
David Petersen                      Date

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Marcia Petersen                      Date

\_\_\_\_\_  
Dan Schiefert                      Date

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Mary Schiefert                      Date